COUNCIL: 04-05-11
ITEM:

CITY OF SAN JOSE
CAPITAL OF SILICON VALLEY

Memorandum

TO: CITY COUNCIL

FROM: Mayor Chuck Reed
Vice Mayor Madison Nguyen
Councilmember Donald Rocha

SUBJECT: **REPORT ON REQUEST FOR PROPOSALS FOR COMMERCIAL SOLID WASTE SYSTEM**

DATE: April 1, 2011

Approved Chuck Reed Date 4/1/11
Madison Nguyen — Don Rocha

RECOMMENDATIONS

A. Approve staff's recommendation to adopt a resolution to authorize the City Manager to negotiate agreements with Allied Waste Industries for Commercial Solid Waste and Recyclable Material Collection Services, and negotiate agreements with Zero Waste Energy Development Company to perform Commercial Organic Waste Processing Services from July 1, 2012 to June 30, 2027.

B. Return to City Council in June 2011 with proposed agreements. The agreements should include the following:
   - Performance measures as set out in the Request For Proposals
   - Liquidated damages pertaining to failure to meet outlined performance measures
   - Rate stabilization and rate increase mitigations

BACKGROUND

The current non-exclusive system has had many problems, from variances in service quality to a low volume of recyclable material being diverted from the landfill. In an effort to meet our Green Vision goals to achieve zero waste, improve customer service, and stabilize franchise fees, Council directed staff in March 2009 to improve the system. Following an extensive stakeholder outreach campaign, the Commercial Solid Waste RFP was developed with the intention of awarding one or two collection franchises and an organics processor.

To evaluate the proposals, a rating panel was selected with representatives from the local business community, Bay Area cities, and ESD/Public Works staff, all of whom have extensive knowledge in the areas of waste management, organics processing, local business needs, and customer requirements. Staff also set up a Technical Advisory Team with specialized industry knowledge.

The vendors with the highest scores for each of the collection districts and the organic processing facility are being recommended by city staff.